



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Introduction of an Ordinance to Revoke and Reinstate Title 5 of the Glendale Municipal Code to Update Business Regulations and Business License Procedures

1. Ordinance revoking Title 5 of the Glendale Municipal Code, 1995, regarding business licenses and regulations, and introducing a proposed Title 5 in its place, as well as amending Title 15 to relocate contractor's licenses.

2. Resolution amending and adding various Title 5 fines and fees in conjunction with the revocation and reinstatement of Title 5 of the Glendale Municipal Code, 1995.

COUNCIL ACTION

Item Type: Action Item

Approved for August 24, 2021 **calendar**

ADMINISTRATIVE ACTION

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Approved by:

Roubik R. Golanian, P.E., City Manager

RECOMMENDATION

Staff respectfully recommends the City Council introduce the ordinance, revoking the current Title 5 of the Glendale Municipal Code and introducing the proposed Title 5 in its place, as well as amending Title 15 to relocate Contractor's Licenses. Additionally, staff recommends adoption of the proposed ordinance, amending fees to correspond with the proposed changes to Title 5. This will establish a series of updates and improvements streamlining business license issuance procedures and organization of the code itself.

BACKGROUND/ANALYSIS

Staff has conducted a review of every permit and license type issued under the authority of Title 5 of the Glendale Municipal Code, most of which are administered by the Community Development Department. Having noted certain sections that are obsolete or unenforceable, redundancies or gaps in administrative process, or have become excessive bureaucracy for business owners, staff now proposes a revocation and reinstatement of Title 5. The strategic combining or elimination of certain licenses as well as streamlining most business licenses into a single set of procedures will allow for more effective administration of the GMC, both for City staff and our customers. Factors taken into consideration include the number of specific activity/business types in Glendale, cost and time for review and issuance, and code compliance issues with the activity/business type.

I. GENERAL CONSIDERATIONS

A. License Terminology

Currently under Title 5, the Community Development Department issues "licenses," "permits," and "certificates," including the Business Registration Certificate. In practice, very little distinguishes between the various terms. To reduce the potential of confusion for applicants with other City functions, terms will be updated in Title 5 referring to all of those regulated activities as licenses. Additionally, the term "permit" will be confined to those licenses that are temporary in duration, usually for a specific event.

B. Business Registration Certificate and Application Streamlining

A review of current Title 5 licenses uncovered a number of licenses that did not have additional application information requirements or additional operating conditions—existing more for tracking, rather than regulating, particular businesses. More recently, *all* businesses within the City of Glendale currently are required to obtain a Business Registration Certificate ("BRC"). Because of the newer BRC requirement, these individual licenses were determined to be obsolete as all businesses are required to obtain a BRC regardless. As such, staff also recommends removing reference to "business taxes" in the name of Title 5.

Accordingly, with review and consent by interested City departments, any license that did not contain either 1) additional application information valuable to the City, or 2) additional operating requirements for public peace or welfare, have been removed. Exhibit 1

contains a list of all current Title 5 licenses and a summary of the changes being proposed, including these specific removals.

After those deletions, a number of licenses remained that met the above criteria, requiring either information or operational requirements of interest to the City. In those cases, businesses would be required to obtain a BRC, as well as any other license for which they meet the definitional criteria.

Among the various Title 5 licenses, application information requirements were often redundant. Those redundancies have been moved out of individual license chapters and into uniform licensing procedures at the front of the Title (5.04). Currently, staff uses a uniform application, known as the “License & Permit Master Application,” on which applicants can apply for multiple activity types with just one form. That application will be updated to match the uniform application requirements of Title 5 without ambiguity.

When particular licenses required additional valuable information specific to the business type, those particularities have remained in the individual chapters to allow for simple supplementing to the general application.

C. Combined Application & License/Permit Fee

The GMC currently requires multiple types of fees to be collected at different points during the application process for licenses and permits. In the simplest of activities, a simple license fee must be paid with annual renewals thereafter. With the most complicated activities, an applicant will be required to pay an initial application fee, followed by a permit fee, and finally a license fee; all of which is required to be repeated annually. The proposed changes specify only a single application fee, variable by license type, and a distinct renewal fee. The renewal fee would be lower, based on a lessened need to investigate aspects of the application and incentivizing timely renewals. Failure to renew on time would require a new application and full application fee.

For purposes of implementing the changes discussed in this report, the attached Resolution deletes all fees in regard to licenses and permits that are being removed. Additionally, it creates new fees for all relevant renewals, which are currently estimated at 75% of related license fees but may change based on future fee studies. Exhibit 5 shows all changes reflected within the Citywide Fee Schedule.

D. Renewal Process

Just as with the initial application process, large variations exist in the process of renewing different licenses and permits. Currently, some licenses or permits require a full application to be completed each year along with fingerprinting and/or background investigations while others simply require a payment with no further documentation. This process has been streamlined in 5.04.070 to specify a 1-year term for most licenses, and a uniform renewal timeline with incentives to renew within the 30 days prior to expiration

of a license. Licenses that expire without renewal will be required to make a full formal application along with the full application fee.

E. Appeal Procedures

Previously, each individual license either had a unique appeal procedure, or referenced no particular appeal procedure at all. Now, all CDD-administered licenses will have a uniform appeal procedure to be triggered at an applicant or licensee's request within 15 days of a denial of application or suspension or revocation of license. Appeals will be heard by the director of CDD or a designee according to procedures in 5.04.110, followed by the ability to appeal under the uniform appeal procedure as codified in GMC 2.88.

All licenses not administered by CDD will uniformly apply directly to the appeal procedure of GMC 2.88.

II. SPECIFIC CHANGES

As alluded to above, general procedures have been consolidated to the first chapters of Title 5. Specifically, Chapter 5.04 contains business license requirements, application procedures, denial criteria, suspension/revocation procedures, and appeal processes. 5.08 contains license fee requirements, including exemptions. 5.12 consolidates enforcement, penalties, and remedies for failure to comply with provisions of Title 5.

A. Deletions or Removals from Current Title 5

As noted above, a number of current licenses are being deleted altogether because of their redundancy to the requirement to obtain a BRC (numbers listed are current code locations):

- 5.08.030 Searchlight, machine or device.
- 5.08.060 Cat shows.
- 5.08.090 Dog shows.
- 5.08.100 Children's amusement park.
- 5.08.110 Livestock show.
- 5.08.120 Poultry show.
- 5.08.130 Shooting gallery.
- 5.08.150 Theaters.
- 5.08.170 Auto parks.
- 5.08.180 Billboards.
- 5.08.190 Bowling alleys.
- 5.08.200 Commercial sign business.
- 5.08.230 Gasoline dealers.
- 5.08.240 Itinerant vendors
- 5.08.280 Junk Collectors
- 5.08.290 Stables.
- 5.08.300 Self-service laundries.
- 5.08.340 Baths and similar treatments.

5.08.420 Open-air markets.
5.08.470 Peddlers.
5.08.520 Transportation of beverages.
5.08.530 Transportation and hauling.
5.08.540 Tree service contractor license.
5.80 Dance Business
5.80 Dance Teenage
5.88 Wreck, Fire, Bankrupt and Damaged Goods Sales

Additionally, some licenses have simply been obsolete and unenforced for some time:

5.56 Fortunetelling and Similar Practices was not a license but a strict prohibition and has been superseded by the Constitution and is an illegal regulation.

5.74 Carryout Bags is not a business license in the first place and is now redundant to State law.

5.08.480 Contractor's Licenses. Following the proposed updates to Title 5, this no longer fits among the rest of the business licenses in question. However, the license is valuable and necessary to the City's Building and Safety division, and is therefore being relocated to Title 15.

B. Licenses Remaining with Noteworthy Substantive Changes

During the course of review, certain longstanding issues, gaps, and definitional problems have come to light. When those issues appeared simple to fix, the changes were made. Some of those changes were substantive and should be noted as follows. For the specific language of the changes, please refer to the specific chapters as amendments are noted in Exhibit 2.

5.28 BINGO License formerly contained both an annual and a temporary permit. The temporary permit is being removed for the sake of simplification.

5.36 Christmas Tree or Pumpkin Sales Lot Licenses (formerly 5.44 "Christmas Tree and Pumpkin Sales Lots") formerly were issued and overseen by Fire. Now licenses will be consolidated to CDD with input and advice from Fire. Additional application requirements have been added.

5.60 Adult Business License now combines what were previously the Adult Entertainment License (formerly 5.12) and the Sexual Encounter Establishment license (5.92), as well as consolidates the license issuance and oversight to CDD from the City Manager.

5.84 Temporary Place of Amusement Permit previously dealt with ambiguous terms and definitions. The previous title (Circuses, Rodeos, Fairs, and similar amusements, 5.48) has been changed to reflect new clarifications. Such permits will have a newly-clarified 45-day maximum, and definitions are reworked to apply to a broad array of temporary events/exhibits under this chapter. Former issuance conditions based on good morals were removed and replaced with public peace and safety. Possible referral to and

issuance by Parks, Recreation and Community Services Commission with public hearing has been removed as obsolete and also for the sake of streamlining.

5.88 Commercial Special Events Permit (formerly 5.96) previously only applied to events held on public property. This is expanded, by request of the City Manager's office to those events held on private property that have substantial impacts on public traffic and parking nearby.

C. Licenses Remaining with Only Minor or Procedural Changes

The following chapters are proposed to remain with only procedural or other minor changes. The exact procedural changes are highlighted in each section of Exhibit 2. Procedures were removed either 1) because they were redundant to uniform procedures now set forth in the first three chapters of the Title, 2) because they were of minor importance and therefore their removal will improve the streamlining of the licensing process, or 3) because the requirements have proved to be unenforceable or obsolete.

5.20 Sidewalk Vendor License (formerly 5.35 "Sidewalk Vendors")

5.24 Special District License (formerly 5.82)

5.40 Smoking Permitted Area License (formerly 5.98)

5.44 Tobacco Retailer License and Regulations (formerly 5.94 "Tobacco Retailers")

5.48 Pawnbroker, Secondhand Dealer, Auto Wrecker, and Junk Dealer Licenses (formerly 5.68 "Pawnbrokers, Secondhand Dealers, Auto Wreckers and Junk Dealers")

5.52 Cart License (formerly 5.37 "Carts")

5.56 Home-Sharing License and Prohibition of Vacation Rentals (formerly 5.110 "Home-Sharing Regulations and Prohibition of Vacation Rentals")

5.64 Massage Establishments (chapter number remains the same—no changes made)

5.68 Taxicabs and other vehicles for hire (formerly 5.84)

5.72 Private Patrol Services Registration (formerly 5.44 "Private Patrol Systems")

5.76 Boxing, Wrestling and Other Contact Sports (formerly 5.32)

5.80 State Video Service Franchises (formerly 5.36—no changes made)

D. New Licenses Added to Title 5

The following Licenses are new licenses added to Title 5. Their provisions were already in place to a large degree, but had not previously been organized into separate chapters for various reasons. More specific information on retained and amended provisions can be found within the edits highlighted in Exhibit 2. They are being organized and streamlined as follows:

5.16 Entertainment Business License. Formerly, the following licenses existed independently in the following locations:

Amusement Machines (5.16),

Arcade, Billiard, and Cyber-Café Establishments (5.20),

Billiard Rooms (5.24),
Live Entertainment (5.60),
Public Dances (5.80), and
Trampolines (provisions within 5.48).

These are being consolidated into a single license with six (6) available “Tags”:

- 1) Arcade or Amusement Machine,
- 2) Arcade Establishment,
- 3) Billiard Room,
- 4) Live Entertainment,
- 5) Public Dance, and
- 6) Trampoline Center.

Applicants will provide all basic information for an Entertainment Business License and any supplemental information depending on whatever combination of tags their business may require. This chapter was largely built from scratch during this revision process to streamline application procedures for those businesses likely to have some combination of these attractions at their place of business. Any significant application information was preserved from current code provisions, as well as any operating requirements that were still considered to be valuable to the City. Some additional application information or operating requirements were added to round out sections and update to more modern business and social situations. Additionally, procuring multiple Tags will provide cost savings to applying businesses as compared to the current costs of each separate license. Accordingly, the attached Resolution also establishes fees to effectuate the Entertainment Business License (EBL).

5.32 Sale from Motor Vehicle License. This is essentially a food-truck license. The provisions existed in different locations and are being consolidated into their own chapter for better organization and ease of use.

5.92 Motion Picture and Television Production Permit. These provisions all existed and are being consolidated into their own chapter for better organization and ease of use.

III. REVOKE/REINSTATE

Due to the complexity of this rewrite, and the difficulty with conveying changes in a standard strikethrough/underline format, staff is recommending that Council revoke the current Title 5 in its entirety and introduce the proposed Title 5 as a complete unit. The final, clean versions of all proposed chapters can be found in Exhibit 3.

FISCAL IMPACT

Current License revenue is not substantial and staff has reviewed three fiscal years to determine the fiscal impact on modifying current Title 5. Exhibit 4 details revenue City has collected for last three fiscal years. Licenses are intended to be fee neutral. Amended Title 5 allows saving staff time by virtue of processing fewer licenses annually.

Exhibit 4 provides details of three recent, consecutive years of revenue received from various permits and licenses (all data was taken prior to COVID-19 closures). Licenses

and permits in red are the line items staff have removed from current Title 5 and they represent minor fiscal impact. Line items in black are permit and licenses that are kept in current Title 5 with only procedural changes mentioned in this report.

Specifically, the Dance and Bingo licenses removed will have zero fiscal impact. There are three licenses that have some fiscal impact: Laundry Self-Service, Auto Parks License and Peddler Permit. The average annual fiscal impact for these three licenses are approximately \$33,000.

ALTERNATIVES

Alternative 1: Introduce the ordinance and resolution as recommended by staff.

Alternative 2: Recommend changes to the proposed ordinance and direct staff to introduce it as amended.

Alternative 3: Direct staff to pursue no current amendment to Title 5.

Alternative 4: The City Council may consider any other alternative not proposed by staff.

CAMPAIGN DISCLOSURE

EXHIBITS

Exhibit 1: Indices

Exhibit 2: Current Title 5 with Proposed Edits Highlighted

Exhibit 3: Final Proposed Title 5

Exhibit 4: Revenue Impact

Exhibit 5: Changes to Citywide Fee Schedule